

Notice of Oral *Ex Parte* Presentation

March 14, 2006

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

Re: In the Matter of Amendment of Parts 1, 21, 73, 74 and 101 of the Commission's Rules to Facilitate the Provision of Fixed and Mobile Broadband Access, Educational and Other Advanced Services in the 2150-2162 and 2500-2590 MHz Bands, WT Docket No. 03-66 RM-10586;

Part 1 of the Commission's Rules – Further Competitive Bidding Procedures, WT Docket No. 03-67;

Amendment of Parts 21 and 74 to Enable Multipoint Distribution Service and the Instructional Television Fixed Service  
Amendment of Parts 21 and 74 to Engage in Fixed Two-Way Transmissions, MM Docket No. 97-217;

Amendment of Parts 21 and 74 of the Commission's Rules With Regard to Licensing in the Multipoint Distribution Service and in the Instructional Television Fixed Service for the Gulf of Mexico, WT Docket No. 02-68 RM-9718

Re: In the Matter of Service Rules for the 746-764 and 776-794 MHz Bands, and Revisions to Part 27 of the Commission's Rules, Second Report and Order, WT Docket No. 99-168

Dear Ms. Dortch:

On Friday, March 10, 2006 Peter Pitsch, Communications Policy Director, of Intel met to discuss issues raised in the above referenced proceedings in three separate meetings with Mr. Fred Campbell, legal advisor to Chairman Kevin Martin, John Guisti, legal advisor to Commissioner Michael Copps, and Barry Ohlson, legal advisor to Commissioner Jonathan Adelstein.

Regarding the BRS proceedings referenced above, Mr. Pitsch advocated that the FCC permit BRS licensees to negotiate 30 to 35 year

leases with EBS licensees. Requiring shorter lease terms could make efficient use of these frequencies for wireless broadband services uneconomical. Mr. Pitsch stated that Intel Capital has developed a generic business model for the provision of wireless broadband services in the top 50 markets using 2.5 GHz spectrum. The business model estimates that such a business would have to incur capital costs of approximately \$5 billion over its first 5 years. It also concludes that it would take 9 years for the cumulative free cash flow to turn positive and the net present value of the business would still be negative at 10 years. Mr. Pitsch said that his colleagues from Intel Capital conclude that such a business would not attract the required capital investment from reasonable investors if limited to a 15 year lease term. This is particularly true given the substantial capital expenditures this business would incur, the presence of competition and the uncertainty surrounding subscriber penetration.

Regarding the 700 MHz proceedings referenced above, Mr Pitsch discussed the licensing plan for the upper 700 MHz band which will be auctioned as part of the DTV transition. He stated that Intel believes that bidders should be permitted to aggregate licenses into national licenses. He noted that the propagation characteristics of the 700 MHz band make it an attractive means for a new nationwide competitor to enter the market at low cost.

Pursuant to Section 1.1206 of the Commission's Rules, 47 C.F.R. § 1.1206, a copy of this submission is being provided to the above referenced people. Please contact the undersigned with any questions in connection with this filing.

Respectfully submitted,

/s/ Peter K. Pitsch

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Peter K. Pitsch  
Intel Corporation  
Director, Communications Policy

cc:  
Fred Campbell  
John Guisti  
Barry Ohlson